

only \$2,713,815 at par.¹ The market recovered slowly and fitfully for a time, but suffered another downward movement in July and August, which carried prices in some cases below the level of March. Even after these events, however, although it was known that many individuals had suffered seriously and that loans had been called in large amounts by the banks, there was no important bank failure and no indication of serious disaster until the middle of October.

As in most panics, the crash came suddenly and at an unexpected moment. It began through the inability of certain persons who were speculating in United Copper stock to continue the operations for a rise which the^{3r} had been carrying on. A fall in the price of copper metal adversely affected most of the copper securities. Under the misapprehension that a corner had been created in United Copper, quotations were run up in a few days from 37 to 60. All the stock bought by the bull pool, with a view of squeezing the bears, was delivered to them. The brokers found themselves unable to pay for it, the stock dropped on October 16th to 10, and it soon developed that a chain of banking institutions which was under the control of interests affiliated with the copper speculators had become deeply involved in their operations.³ The result was that several banking institutions—the Mercantile National, the National Bank of North America, the New Amsterdam National Bank, and a few smaller ones—appealed to the Clearing-House Com-

¹ *New York Bankers' Magazine*, September, 1907, LXXV., 436.

⁸ Their methods were described thus : " Mr. Morse first, and then the Thomases and the Heinzes, had, after securing one bank, hypothecated the stock of that bank in various financial institutions, not only here but all over the country ; had taken the money obtained by a loan on the stock of one bank to buy stock in another ; had mortgaged that and bought into still another, and so on and on. . . . Furthermore, after securing control of banks, they had made loans to themselves for the flotation of promotion schemes and for the conduct of operations in the stock market."—Lawrence Dunning, "In the Days of the Panic," in *Van Norden Magazine* December, 1907 IL, 43-